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DEPARTMENT OF COMMERCE

International Trade Administration

C-533-858

Certain Oil Country Tubular Goods from India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of certain oil country tubular goods (OCTG) from India. For information on the estimated subsidy rates, see the “Suspension of Liquidation” section of this notice.

DATES: EFFECTIVE DATE: [Insert date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Myrna Lobo, Elfi Blum or Lingjun Wang, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2371, (202) 482-0197, and (202) 482-2316, respectively.

SUPPLEMENTARY INFORMATION

Background

The petitioners in this investigation are United States Steel Corporation, Maverick Tube Corporation, Boomerang Tube, Energex Tube, a division of JMC Steel Group, Northwest Pipe Company, Tejas Tubular Products, TMK IPSCO, Vallourec Star, L.P., and Welded Tube USA Inc. This investigation covers 64 government programs. In addition to the Government of India (GOI), the mandatory respondents in this investigation are: (1) GVN Fuels Limited and its

cross-owned producers Maharashtra Seamless Limited and Jindal Pipes Limited (GVN/MSL/JPL); and (2) Jindal SAW Limited (Jindal SAW). The period of investigation for which we are measuring subsidies is January 1, 2012, through December 31, 2012.

Case History

The events that have occurred since the Department published the Preliminary Determination¹ on December 23, 2013 and the Preliminary Determination of Critical Circumstances² on January 27, 2014, are discussed in the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The merchandise covered by the investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or

¹ See Certain Oil Country Tubular Goods From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination, 78 FR 77421 (December 23, 2013) (Preliminary Determination).

² See Certain Oil Country Tubular Goods from India and Turkey: Preliminary Determination of Critical Circumstances in the Countervailing Duty Investigations, 79 FR 4333 (January 27, 2014) (Preliminary Determination of Critical Circumstances)

³ See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance regarding "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from India," dated concurrently with this notice (Issues and Decision Memorandum).

welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock. For a complete description of the scope of the investigation, see Appendix I to this notice.

Critical Circumstances

In our Preliminary Determination of Critical Circumstances, we determined that critical circumstances exist with respect to Jindal SAW, but do not exist with respect to imports from GVN/MSL/JPL and “all other” exporters of OCTG from India.⁴ Our analysis for the final determination indicates that critical circumstances continue to exist for imports from Jindal SAW. In addition, we determine that critical circumstances exist for imports from “all other” producers and exporters from India. We continue to find that critical circumstances do not exist with respect to imports from GVN/MSL/JPL. Therefore, in accordance with section 705(a)(2) of the Tariff Act of 1930, as amended (the Act), we determine that critical circumstances exist with respect to imports from Jindal SAW and “all other” exporters of OCTG from India. We determine that critical circumstances do not exist with respect to GVN/MSL/JPL.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum, which is hereby adopted by this notice. A list of the subsidy programs and issues that parties

⁴ See Certain Oil Country Tubular Goods From India and Turkey: Preliminary Determination of Critical Circumstances in the Countervailing Duty Investigations, 79 FR 4333 (January 27, 2014) (Preliminary Determination of Critical Circumstances).

have raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice as Appendix II.

Use of Facts Otherwise Available, Including Adverse Inferences

For the purposes of this final determination, we relied on facts available and in certain instances have applied an adverse inference (AFA) in accordance with sections 776(a) and (b) of the Act, with regard to the following programs: Advance License Program/Advance Authorization Program, Export Promotion Capital Goods Program, Pre-Shipment and Post-Shipment Export Financing, Provision of Hot-Rolled Steel by the Steel Authority of India, Ltd. at Less Than Adequate Remuneration, State Government of Maharashtra Sales Tax Program, and Duty Drawback. A full discussion of our decision to apply AFA is presented in the Decision Memorandum under the section “Use of Facts Otherwise Available and Adverse Inferences.”

Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated a rate for each company respondent.⁵ Section 705(c)(5)(A)(i) of the Act states that for companies not individually investigated, we will determine an “all others” rate equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. Because we are unable to calculate a weighted average rate, we calculated a simple average of the two respondents rates as the “all others” rate.

We determine the total estimated net countervailable subsidy rates to be:

⁵ See Memoranda to the File, “Final Determination Calculation Memorandum for GVN/MSL/JPL,” and “Final Determination Calculation Memorandum for Jindal SAW,” (Final Calculation Memoranda).

Company	Subsidy Rate
GVN Fuels Limited/ Maharashtra Seamless Limited/ Jindal Pipes Limited	5.67 percent
Jindal SAW Limited	19.11 percent
All Others	12.39 percent

As a result of our Preliminary Determination and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from India, other than those produced/exported by Jindal SAW which received a de minimis countervailable subsidy rate in the Preliminary Determination, entered or withdrawn from warehouse, for consumption on or after December 23, 2013, the date of the publication of the Preliminary Determination in the Federal Register.

In accordance with section 703(d) of the Act, we subsequently issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after April 22, 2014, but to continue the suspension of liquidation of all entries, excepting Jindal SAW, from December 23, 2013, through April 21, 2014.

The Department determines that critical circumstances exist with respect to imports of subject merchandise from Jindal SAW and “all other” companies.⁶ Consistent with sections 705(c)(1)(C) and 705(c)(4)(C) of the Act, because provisional measures are not in effect for Jindal SAW, we will begin the suspension of liquidation for Jindal SAW, and require a cash deposit for such entries of merchandise in the amount indicated above, with effect from 90 days prior to the date of publication of the final determination in the Federal Register. If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will

⁶ The Department made a negative critical circumstances determination with respect to GVN/MSL/JPL.

issue a countervailing duty (CVD) order and reinstate the suspension of liquidation for GVN/MSL/JPL and “all other” companies, and require a cash deposit for such entries of merchandise in the amounts indicated above. As a result of the critical circumstances determination for “all other” companies, consistent with section 705(c)(4)(B) of the Act, we will order CBP to suspend liquidation and require a cash deposit effective September 24, 2013, which is 90 days prior to the publication of the Preliminary Determination. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: July 10, 2014.

Ronald K. Lorentzen,
Acting Assistant Secretary,
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by the investigation is certain oil country tubular goods (“OCTG”), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (“API”) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.

The merchandise subject to the investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigation may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Appendix II

Issues and Decision Memorandum

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